

ND STATE BONDING FUND

State Investment Board Balance Sheet As of 6/30/2008

	As of <u>6-30-08</u>	As of <u>6-30-07</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 600,315	\$ 716,747
INTERNATIONAL EQUITIES	238,009	288,978
DOMESTIC FIXED INCOME	1,415,135	1,426,826
INVESTED CASH (NOTE 1)	<u>263,002</u>	<u>270,294</u>
 TOTAL INVESTMENTS	 2,516,461	 2,702,845
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	28,561	28,993
MISCELLANEOUS RECEIVABLE	<u>4</u>	<u>3</u>
 TOTAL RECEIVABLES	 28,565	 28,996
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	81,315	351,653
OPERATING CASH	<u>452</u>	<u>(69)</u>
 TOTAL ASSETS	 <u>\$ 2,626,793</u>	 <u>\$ 3,083,425</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	81,315	351,653
ACCOUNTS PAYABLE	17	15
ACCRUED EXPENSES	30	31
INVESTMENT EXPENSE PAYABLE	<u>3,903</u>	<u>1,966</u>
 TOTAL LIABILITIES	 85,265	 353,665
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	2,729,760	2,703,646
CASH IN DURING YEAR (NOTE 3)	0	0
CASH OUT DURING YEAR (NOTE 4)	80,000	300,000
NET INCREASE (DECREASE)	<u>(108,232)</u>	<u>326,114</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>2,541,528</u>	 <u>2,729,760</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 2,626,793</u>	 <u>\$ 3,083,425</u>

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State Investment Board Profit and Loss Statement For the Month Ended 6/30/2008

	Month Ended <u>6-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 8,249	\$ 100,076
SECURITIES LENDING INCOME	<u>208</u>	<u>8,462</u>
	8,457	108,538
 GAIN ON SALE OF INVESTMENTS	 28,133	 426,948
LOSS ON SALE OF INVESTMENTS	<u>39,706</u>	<u>421,240</u>
 NET GAINS (LOSSES) INVESTMENTS	 (11,573)	 5,708
 INVESTMENT EXPENSES	 2,357	 8,570
SECURITIES LENDING EXPENSES	120	7,594
 NET INVESTMENT INCOME	 (5,593)	 98,082
 NET APPREC (DEPREC) MARKET VALUE	 (79,000)	 (205,638)
MISCELLANEOUS INCOME/(EXPENSE)	<u>22</u>	<u>317</u>
 TOTAL INVESTMENT INCOME	 <u>(84,571)</u>	 <u>(107,239)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	210	993
 NET INCREASE (DECREASE)	 <u>\$ (84,781)</u>	 <u>\$ (108,232)</u>

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State Investment Board SUPPLEMENTARY INFORMATION As of 6/30/2008

	As of <u>6/30/08</u>
ASSETS:	
INVESTMENTS (AT COST)	
LARGE CAP EQUITY	493,582
SMALL CAP EQUITY	198,357
TOTAL DOMESTIC EQUITIES	<u>691,939</u>
INTERNATIONAL EQUITY	231,234
FIXED INCOME	1,416,719
INVESTED CASH (NOTE 1)	<u>263,002</u>
TOTAL INVESTMENTS (AT COST)	<u><u>\$2,602,894</u></u>

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Notes To Financial Statements
June 30, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.